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January 24, 2005

The Honorable A.G. Kawamura
Secretary
California Department of Food and Agriculture
1220 N Street
Sacramento, California 95814

In re: Revisions to Alternative Proposal for February 1, 2005 Dairy Marketing Hearing

Dear Mr. Secretary:

The Board of Directors of Western United Dairymen approved the filing of the following revisions to its alternative proposal at its January 21, 2005, meeting.

Change the 4a formula to reflect updated California butter price data. The data used was published by the Department on January 18, 2005.

Section 300.0 (D)

- (1) For all milk fat, not less than the price per pound computed by the formula using the butter price less an f.o.b. California price adjuster of two and eight-tenths cents (**\$0.028**) less a manufacturing cost allowance of thirteen and two tenths cents (\$0.132), and the result multiplied by a yield factor of one and two-tenths (1.2).

Change the 4b formula to reflect updated California cheddar cheese price data. The data used was published by the Department on January 18, 2005.

Section 300.0 (E)

- (1) (a) The price per hundredweight computed by the formula using the cheddar cheese price, less an f.o.b. California price adjuster of two and seventy-four hundredths cents (**\$0.0274**), less a cheddar cheese manufacturing cost allowance of seventeen and five tenths cents (\$0.175), all multiplied by a yield factor of ten and two-tenths (10.2).

Our Board also took the position of supporting the “snubbing” of the dry whey component as reflected below:

Section 300.0 (E)

- (1) (c) The price per hundredweight computed by the formula using the dry whey price, less a manufacturing cost allowance of seventeen cents (\$0.17) the sum of which cannot be less than zero cents (\$0.0000), all multiplied by a yield factor of 5.8.

Thank you for the opportunity to submit an alternative proposal at this hearing. If you have any questions, please give me a call.

Very truly yours,

Original signed & mailed

Michael L. H. Marsh, CPA
Chief Executive Officer
Western United Dairymen

cc: Kelly Krug, Director, Division of Marketing Services, CDFA
David Ikari, Branch Chief, Division of Marketing Services, CDFA